

Annual Statement Improvement

Washington State Law Enforcement
Officers' and Fire Fighters' Plan 2
Retirement Board

April 26, 2006

Brief Summary

- Board requested information on improving benefit statements
- Provide more information to members
- Staff met with DRS
 - Determine options
 - Estimate costs

DRS Proposal Summary

■ All DRS options have common features:

- Beneficiary
- Info on how to designate a beneficiary
- Total reported salary for last year
- Explanation of projected FAS calculation
- Projected service credit
- Projected monthly benefit w/survivor reduction
- 150% withdrawal amount
- Explanation of 150% withdrawal option

DRS Option 1

- DRS Option 1 Unique Feature

- Include projected FAS calculated using total reported salary for past year

DRS Option 1

■ DRS Option 1 Cost:

• Automated Systems	\$90,300
• Member Communications	\$2,048
• <u>Benefits/customer Service</u>	<u>\$7,154</u>
DRS Estimated Total Cost	\$99,502

DRS Option 2

- DRS Option 2 Unique Feature
 - Include projected FAS using highest consecutive 60 months

DRS Option 2

■ DRS Option 2 Costs:

• Automated Systems	\$154,800
• Member Communications	\$2,048
• <u>Benefits/customer Service</u>	<u>\$17,060</u>
DRS Estimated Total Cost	\$173,908

DRS Option 3

- Option 3 Shares Common Features
- Directs members to DRS website

DRS Option 3

- DRS Option 3 Costs:

- Least expensive of all options
 - Much less time spent programming at \$95/hr

- Exact cost estimate pending from DRS

Annual Statement Improvement

Questions?